



DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Regulatory Commission of Alaska

Sean Parnell, Governor
Emil Notti, Commissioner
Robert M. Pickett, Chairman

March 5, 2010

In reply refer to: Finance Section
File: PC53-1008A
LO#: L1000071

Delores K Anderson
Utility Clerk
Port Heiden, City of
P.O. Box 49050
Port Heiden, AK 99549

Dear Ms. Anderson:

On March 4, 2010, the Commission approved updated **Permanent** PCE levels in cents per kilowatt-hour (¢/kWh) for Port Heiden, City of (PORT HEIDE), for the listed classes of customers as follows:

All	20.41¢
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The revised PCE levels are due to Commission approval of PORT HEIDE's Fuel Cost Update submitted on February 9, 2010. The new PCE levels are effective for billings rendered after March 4, 2010. For your reference, copies of the Commission Staff's recommendations and schedules are attached as an Appendix.

The Commission reminds PORT HEIDE of its continued obligation under the PCE legislation to provide its customers with the notice specified in AS 42.45.120 or similar notice approved by the Alaska Energy Authority.

The Commission also reminds PORT HEIDE of its obligation under 3 AAC 52.620 and 3 AAC 52.640 to notify the Commission of any change in its rates, surcharges, and/or efficiency of operation and advises PORT HEIDE that failure to comply with those requirements could jeopardize its continued participation in the program.

If PORT HEIDE believes that the calculation used to establish the PCE level in this Letter Order is incorrect, it should seek reconsideration setting forth why it believes the calculation is in error. Any reconsideration request must be submitted within 15 days of the date of this Letter Order.

Letter Order-PORT HEIDE
Page 2 of 2
March 5, 2010

If you have any questions regarding the calculation of PCE levels, please contact Utility Financial Analyst John White at (907) 276-6222.

BY DIRECTION OF THE COMMISSION

Sincerely,

REGULATORY COMMISSION OF ALASKA


for Robert M. Pickett
Chairman

cc: Jeffery Williams, Alaska Energy Authority

STATE OF ALASKA

**DEPARTMENT OF COMMERCE,
COMMUNITY & ECONOMIC DEVELOPMENT
REGULATORY COMMISSION OF ALASKA**

SEAN PARNELL, GOVERNOR

701 WEST EIGHT AVENUE, SUITE 300
ANCHORAGE, ALASKA 99501-3469
PHONE: (907) 276-6222
FAX: (907) 276-0160
TTY: (907) 276-4533
WEBSITE: <http://rca.alaska.gov>

DATE: March 5, 2010

INVOICE#: 53-1008A

DATE DUE: April 4, 2010

Delores Anderson
Utility Clerk
Port Heiden, City of
P.O. Box 49050
Port Heiden, AK 99549

Fee for Commission Staff analysis and recommendations Re:

**FILE #: PC53-1008A
LO #: L1000071**

Fuel Cost Update under the Power Cost Equalization Program

Amount Due : \$ 39

TOTAL AMOUNT DUE: \$ 39

MAKE CHECK PAYABLE TO: **STATE OF ALASKA**

PLEASE REMIT CHECK AND COPY OF THIS INVOICE TO:

**REGULATORY COMMISSION OF ALASKA
701 W. 8TH AVE., SUITE 300
ANCHORAGE, AK 99501-3469**

If you have any questions, please contact Joyce McGowan at (907) 263-2132 or
joyce.mcgowan@alaska.gov.

Port Heiden, City of

FILE #: PC53-1008A

Amount Due: \$ 39

LO #: L1000071

Check Number _____

Please tear along dotted line and submit payment with bottom portion. Thank you.

Power Cost Memorandum Fuel Cost Update

Date: March 4, 2010

Utility Name (Cert. No.) Port Heiden, City of	Utility File No. PC53-1008A	Date Filed: February 9, 2010
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PCE LEVEL SUMMARY	Previously Approved PC53-1008	Staff Recommended Level(s) and Effective Date PC53-1008A
Class Rate	<u>Date Approved:</u> July 2, 2009	March 5, 2010
All	\$0.2971	\$0.2041
<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent		

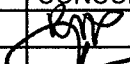
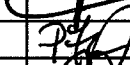

Prior Fuel Purchase Price: <u>\$ 4.8354</u>	New Fuel Purchase Price: <u>\$ 3.6258</u>
<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted	<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted
Delivery Charge: _____	Surcharge Change: Previous _____ Updated _____

Weighted Average Fuel Price/Gal. Calculation					
	<u>Gallons</u>		<u>Price</u>		
On-hand before deliv.	5,000	X	4.8354	=	24,177.00
Delivered	40,016	X	3.4746	=	139,039.59
	<u>45,016</u>				<u>\$ 163,216.59</u>
					Weighted Average <u>\$ 3.6257</u>

Signed: 
Kevin AufDerHeide

Utility Financial Analyst

Commission decision re. this recommendation :

	Date (if different from 3/4/10)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT *
Pickett				
Giard				
Lisankie				
Patch				
Wilson				

Special Instructions to Staff:

* If this column initialed, Staff will contact the Commissioner for the statement, otherwise, dissent will simply be noted at the close of the By Direction Letter or Order.

PORT HEIDEN, CITY OF**Port Heiden, City of**

POWER COST EQUALIZATION CALCULATION
FOR TEST PERIOD ENDING JUNE 30, 2008
Fuel Cost Update

APPENDIX 1

	PC53-1008	PC53-1008A	
	Prior Commission Approval	Utility Request	Staff Recommended
A. Total kWh Generated	633,128	633,128	633,128
B. Total kWh Sold	580,878	580,878	580,878
C. Total Non-Fuel Costs (Appendix 2)	36,458	36,458	36,458
D. Non-Fuel Cost/kWh (C / B)	\$0.0628	\$0.0628	\$0.0628
E. Total Fuel Costs (Appendix 2)	227,162	170,336	170,336
F. Fuel Costs/kWh (E / B)	\$0.3911	\$0.2932	\$0.2932
G. Eligible Costs/kWh (D + F)	\$0.4539	\$0.3560	\$0.3560
H. Eligible Cost/kWh (G) Less 14.12 cents/kWh	\$0.3127	\$0.2148	\$0.2148
I. Lesser of (H) or 85.88 cents/kWh	\$0.3127	\$0.2148	\$0.2148
J. Average Class Rates (Appendix 3) All	\$0.4288	\$0.4288	\$0.4288
Class Power Cost Equalization Per kWh Payable			
K. Lesser of: (I) x 95% or (J) All	\$0.2971	\$0.2041	\$0.2041
Funding Level in Effect	100%	100%	100%
L. All	\$0.2971	\$0.2041	\$0.2041

PC53-1008A
Appendix 1

PORT HEIDEN, CITY OF
Port Heiden, City of

APPENDIX 2

SCHEDULE OF ELIGIBLE POWER COSTS, SALES, AND EFFICIENCY
 FOR TEST PERIOD ENDING JUNE 30, 2008
Fuel Cost Update

	PC53-1008	PC53-1008A
	Prior Commission Approval	Per Utility Per Staff
Non-Fuel Costs:		
A. Personnel Costs	27,596	27,596
B. Operating Expenses	1,287	1,287
C. General & Administrative	2,000	2,000
D. Depreciation	5,575	5,575
E. Interest Expense	-	-
F. Other	-	-
G. Total Non-Fuel Costs	36,458	\$36,458
Fuel Costs:		
H. Gallons Consumed for Electric Generation	46,979	46,979
I. Price of Fuel:(cts. per gal) Weighted Average	\$4.8354	\$3.6258
J. Total fuel Costs	\$227,162	\$170,336
K. kWh Sales	580,878	580,878
L. Efficiency (L / I) Standard	12.36	12.36
M. Line Loss + Station Service 12% (kWh Generated - kWh Sold)/kWh Generated	8.25%	8.25%

Calculation of weighted average fuel price:

On-hand	5,000	X	4.8354	=	\$24,177
Delivered	40,016	X	3.4746	=	\$139,040
	45,016				\$163,217

\$3.6258

PC53-1008A
 Appendix 2

Calculation of Average Class Rate per kWh

Rate Schedule: ALL

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$.1412/kWh
500	0.5700	0.0000	0.5700	285.00	0.5700	0.4288

500				285.00	0.5700	0.4288
TOTAL (A)						(E)

Computation of Community Facilities Average Rate

Rate Schedule: ALL

	(A) Rate (\$/kWh)	(B) Surcharge If Applicable (\$/kWh)	(C) Total Rate (\$/kWh) (A+B)	(7) Avg. Rate (\$/kWh) - \$.1412/kWh
0 to ∞	0.5700	0.0000	0.5700	0.4288
Next to				
Next to				
Next to				
Next to				

Non-Regulated PCE Fuel and Purchased Power Cost Report Form

Utility Name: Port Heiden Utilities

Reporting Period beginning Sep-09 through Feb-10

Enter Fuel Storage Capacity in Gallons h 64,000

	Delivery Date	Gallons	Cost per Gallon	Delivery/ Mark-Up per Gallon	Total Cost
Beginning Fuel Inventory		5,000			
Last Approved Fuel Cost/Gal.			\$ 4.8354		
Beginning Fuel Inventory in Gallons X Last Approved Fuel Cost/Gal. = Beginning Fuel Inventory					\$ 24,177
Reporting Period Purchases	Oct-09	40,016	3.4746		139,040
Totals for Reporting Period Purchases on this sheet:		40,016			139,040
Totals from Continuation Sheet		-			-
Grand Totals (beginning inventory plus purchases)		45,016			\$ 163,217

Grand Total Cost divided by Grand Total Gallons = 3.6258 Weighted Avg. Cost per gallon
 Total Purchase Cost divided by Total Purchase Gallons = 3.4746 Weighted Avg. Cost per gallon